

December 21, 2007

## TO THE PRODUCER ADDRESSED:

Annually, the Department must determine if there has been an increase in the Class 1 and 2 solids-not-fat usage during the most recent September through August time period. This is required by the Milk Pooling Plan and California Food and Agricultural Code. In making this determination, the current time period is compared to the previous highest year since 1988-1989. Any increase in such usage is allocated to producers as pool quota. New quota allocations are issued in January of the following year.

A comparison of Class 1 and 2 daily sales for the period of September 2006 through August 2007, with comparable sales for September 1990 through August 1991 (the highest previous year) reveals that there was a decrease in Class 1 and 2 usage by 84,565 SNF daily pounds.

The Department, therefore, is announcing there will be no new guota allocated on January 1, 2008.

Sincerely,

Original signed by

John Lee, Branch Chief Milk Pooling Branch

